

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **5541**



Introduced by: **REPRESENTATIVE ERIC L. OLIVAREZ**

EXPLANATORY NOTE

Article XIII, Section 1 of the 1987 Philippine Constitution provides that Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good.

The right of labor to a living wage is likewise enshrined in Section 3 of the same Article which mandates the State to afford full protection to labor, local and overseas, organized and unorganized, and to ensure equal work opportunities and promote social justice in all phases of national development.

Despite the steady growth of the Philippine economy in recent years, many Filipino workers continue to struggle with stagnant wages, rising costs of living, and inadequate purchasing power. The current minimum wage levels, even after periodic adjustments by the Regional Tripartite Wages and Productivity Boards (RTWPBs), remain insufficient to meet the basic needs of the average Filipino family.

This bill seeks to grant a Two Hundred Peso (₱200.00) daily wage increase for all minimum wage workers in the private sector, regardless of employment status, including those under contractual or sub-contractual arrangements, whether agricultural or non-agricultural. The measure aims to provide immediate economic relief to the working class and ensure a more equitable distribution of the gains of economic growth.

While recognizing the challenges faced by small enterprises, the bill provides incentives and support mechanisms through the Department of Labor and Employment (DOLE) to assist them in complying with the mandated wage increase. It likewise upholds the non-diminution of existing benefits and retains exemptions under Republic Act No. 9178 (Barangay Micro Business Enterprises Act of 2002) and Republic Act No. 6727 (Wage Rationalization Act).

The proposed increase complements ongoing efforts to strengthen purchasing power, stimulate domestic demand, and promote inclusive growth, especially in light of persistent inflationary pressures and widening income inequality.

A similar measure, **House Bill No. 11376**, or the "*Wage Hike for Minimum Wage Workers Act*," has been approved on Third Reading in the House of Representatives in the 19th Congress but due to time constraints, it has not been acted upon in the Senate. There is, however, at present, a Senate counterpart which seeks to ensure parallel legislative action for its timely passage into law.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


ERIC L. OLIVAREZ

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AN ACT
PROVIDING FOR A TWO HUNDRED PESOS (P200.00) DAILY WAGE
INCREASE FOR MINIMUM WAGE WORKERS IN THE PRIVATE SECTOR

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Short Title. – This Act shall be known as the “Wage Hike For Minimum Wage Workers Act.”

SEC. 2. Declaration of Policy. – It is a policy of the State to alleviate the living conditions of the ordinary Filipino through policies that provide for a decent and humane standard of living and improved quality of life, particularly of the working class by ensuring the right of labor to its just share in the fruits of production, to guarantee the workers’ right to a living wage, and to promote social justice through the adoption of measures calculated to ensure the well-being and economic security of all the members of the community.

SEC. 3. Minimum Wage Increase. – Upon the effectivity of this Act, the daily rate of all minimum wage workers in the private sector, regardless of employment status, including those in contractual and sub-contractual arrangements, whether agricultural or non-agricultural, shall be increased by Two Hundred Pesos (P200.00) per day.

Nothing in this Act shall prevent the respective Regional Tripartite Wages and Productivity Boards from granting additional increases to the workers and employees, as may be determined in accordance with their mandate under Republic Act No. 6727, otherwise known as the “Wage Rationalization Act”, as amended.

SEC. 4. Incentives to Small Enterprises. – To assist in their compliance with the wage increase, small enterprises may avail of incentives from the Department of Labor and Employment (DOLE), subject to the implementing rules and regulations of this Act.

SEC. 5. Non-diminution of Other Benefits. – Nothing in this Act shall be construed to reduce any existing allowance and benefit of any form under existing laws, decrees, issuances, executive orders, and any contract or agreement between workers and employers.

SEC. 6. Existing Exemptions. – As provided by Republic Act No. 9178, also known as the “Barangay Micro Business Enterprises (BMBE’s) Act of 2002,” the BMBEs shall be exempt from the coverage of the Minimum Wage Law. Further, as provided by Republic Act No. 6727, also known as the “Wage Rationalization Act,” and relevant rules of the National Wages and Productivity Commission, the following establishments may apply for exemption from compliance with the minimum wage increase as provided by this Act: (a) retail or service establishments regularly employing not more than ten (10) workers; and (b) establishments adversely affected by natural calamities or human-induced disasters.

SEC. 7. Penalties. – Any person, corporation, trust, firm, partnership, association, or entity violating any provision of this Act shall be punished by a fine of not less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00) or imprisonment of not less than two years nor more than four years, or both at the discretion of the Court: Provided, that if the violation is committed by a corporation, trust or firm, association or any other entity, the penalty of imprisonment shall be imposed upon the entity's responsible officers including the president, vice president, chief executive officer, general manager, managing director or partner.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: Provided, that the payment of indemnity shall not absolve the employer from the criminal liability imposable under this Act: Provided, further, that any person convicted under this Act shall not be entitled to the benefits provided for under the Probation Law.

SEC. 8. Implementing Rules and Regulations. – Within sixty (60) days from the effectivity of this Act, the DOLE shall, in coordination with other relevant government agencies, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 9. Separability Clause. – If any provision or part of this Act is declared invalid or unconstitutional, the remaining provisions or parts of this act shall remain in full force and effect, and the application of such provision to other persons or circumstances shall not be affected.

SEC. 10. Repealing Clause. – All laws, orders, issuances, rules, and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 11. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,